

HR Weekly Podcast

9/6/2007

Today is September 6, 2007, and welcome to the HR weekly podcast from the State Office of Human Resources. This week's topic concerns a recent U.S. Supreme Court decision regarding pay discrimination under Title VII of the Civil Rights Act of 1964.

In Ledbetter v. Goodyear Tire and Rubber Co., Inc., the Supreme Court ruled 5-4 against a former Goodyear employee who claimed she was paid significantly less than her male counterparts. Lilly Ledbetter had worked as a supervisor at a Goodyear Tire Production plant in Gadsden, Alabama, from 1979 until her retirement in 1998. At the plant, salaried employees were awarded or denied pay increases based on performance evaluations. Ms. Ledbetter claimed that during her employment she was given poor evaluations based on her gender, which resulted in her earning significantly less than her male counterparts. Ms. Ledbetter filed a formal EEOC charge in July of 1998 and filed a lawsuit, claiming sex discrimination under Title VII. Goodyear maintained that the evaluations were non-discriminatory; however, the jury found for Ms. Ledbetter, awarding backpay and damages.

Goodyear appealed the decision claiming that the pay discrimination claim was time barred with regard to all pay decisions made 180 days before Ms. Ledbetter filed her EEOC claim and that no discriminatory actions took place during that time. The Eleventh Circuit Court of Appeals reversed the jury's decision and held that a Title VII pay discrimination claim cannot be based outside of the EEOC charging period of 180 days and that there was no evidence of sex discrimination during that time.

The U.S. Supreme Court affirmed the Eleventh Circuit Court of Appeals' decision. The Supreme Court also rejected Ms. Ledbetter's claim that each paycheck she received was a separate act of discrimination. The Supreme Court held that a new violation does not occur and a new charging period commence upon the occurrence of subsequent nondiscriminatory acts resulting from past discrimination. In other words, each paycheck Ms. Ledbetter received did not constitute an act of discrimination.

The Ledbetter decision gives protection to employers from employees bringing old claims of discrimination, requiring employees to make equal employment opportunity charges in a timely manner so that employers are not faced with lawsuits for years of back pay. It also may give some protection to employers whose pay practices may inadvertently discriminate.

If you have questions regarding this case or pay discrimination claims, please contact your consultant at 737-0900 or the State Human Affairs Commission.

Thank you.